

existing billings to qualified schools and libraries to determine a rough base for the total pre-discount purchases after some upward adjustment for new services that will be encouraged by the discounts.<sup>90</sup> The Commission can then adjust the discounts to yield an estimate of the total fund. These set discounts could then be relied upon by schools and libraries as they place orders.

The opposite, top down approach of starting with a fund size would only appear to be predictable if an elaborate mechanism were established to obtain, prioritize and allocate requests from all schools and libraries before offering any discounts. If the Commission proceeds solely on the basis of the estimates before, it will run the serious risk that schools will budget and order services on the expectation of a discount which will turn out to be unavailable after the service has been installed and used.

**3. HIGH COST AREAS SHOULD BE IDENTIFIED ON THE BASIS OF THE RELATIVE TOTAL COST OF THE ILEC.**

The Joint Board recommends that the discount matrix include a high cost variable as necessary to ensure that the affordability requirement of the statute is met.<sup>91</sup> The RTC concurs with this conclusion, although not with the additional reason that multiline business service will not receive support because we believe such lines should be supported.<sup>92</sup> However, many of the services requested by schools and libraries will not be included in those supported by high cost support. The Joint Board suggests that the relation of unseparated loop cost in an area to the national average

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<sup>90</sup> Even this process will take some time to develop and implement. For this reason, the RTC recommends in Section V.C., below that the Commission immediately appoint NECA as temporary administrator for schools and libraries in order that it can begin the complex task.

<sup>91</sup> *Recommended Decision* at paras. 557-560.

<sup>92</sup> *See*, Section IA2e(1), above.

could be used. However, because schools have different requirements and a different geographical relationship to central office locations than individual subscribers, a better measure would be the total unseparated cost. This cost cannot, obviously, be measured over a study area, but should, at least ideally, be related to the rough boundaries of the school system, which, in turn, implies the use of an allocator, zone, or possibly a proxy to develop costs over a smaller area.<sup>93</sup>

**B. THE RTC IS CONCERNED ABOUT THE SCOPE OF DISCOUNTED SERVICES RECOMMENDED BY THE JOINT BOARD.**

**1. THE COMMISSION'S AUTHORITY TO PROVIDE SUPPORT FOR INTERNAL CONNECTIONS IS UNCLEAR; SUCH SUPPORT SHOULD BE SEVERABLE FROM THAT PROVIDED FOR TELECOMMUNICATIONS SERVICES.**

The Joint Board recommends including internal connections in the school and library support program. The RTC recognizes the importance to these institutions of obtaining adequate internal facilities in order to utilize effectively the services provided at a discount. However, the provision of the 1996 Act establishing the discount and the means of recovery is entirely cast in terms of the services of telecommunications carriers.<sup>94</sup> The Joint Board's reliance on the separate requirement that the Commission adopt rules to enhance institutional users' access to advanced services requires at best an awkward construction of the Act, and one that is inconsistent with the longstanding

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<sup>93</sup> See, Section IA2a, above, for discussion of proxies. It is important to recognize that using an allocator or proxy to break an actual total into smaller geographic areas by relative cost requires less rigorous validation than arriving at the costs themselves by proxy. Note that as with LEC service area boundaries, census block groups will not match exactly with school district boundaries. For this reason, and others, a continuous function would be preferable to a step function in order to avoid the inequities when discounts for a given school system make a significant change due to a boundary misalignment.

<sup>94</sup> 47 U.S.C. 254(h)(1)(B).

deregulation of inside wire.<sup>95</sup>

We are concerned that a challenge to this provision is likely, given that discounts can only be required and compensated when the internal connections are provided by telecommunications carriers, but such connections are provided by many other entities. Therefore, if the Commission adopts this recommendation, it should do so in a way that support for internal connections is severable and a declaration of its invalidity will not otherwise damage the support program for schools and libraries. There is also reason to be concerned that, at least in the initial years, inside wiring costs alone could exceed the proposed cap, especially as the costs of working in asbestos situations are better understood. Assuming the problems with cap administration discussed above can be resolved, internal connections should be limited to a defined proportion of the total cap, at least initially.

**2. INTERNET ACCESS WILL NOT BE OBTAINED BY SCHOOLS AND LIBRARIES IN MANY RURAL AREAS IF THERE IS NO SUPPORT FOR TOLL-FREE ACCESS.**

The Joint Board recommends that support not be provided for dial-up access to the Internet where it is not available at or near ordinary local calling rates.<sup>96</sup> The Joint Board takes the position that to do so would have the Commission traveling in a direction it is not currently prepared to. The Joint Board's rationale is that it does not want to separate the transmission component from the

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<sup>95</sup> *Detariffing the Installation and Maintenance of Inside Wiring*, Third Report and Order, CC Docket No. 79-105, 7 FCC Rcd. 1334 (1992). The suggestion that internal connections must be included because of differing architectures used by wireless and wireline carriers is not compelling. To the extent a wireline carrier avoids use of internal connections, such as by providing a cellular telephone to each classroom, there is no issue, only a telecommunications common carrier service which is subject to the discount. Institutional users will take such differences into consideration when ordering services.

<sup>96</sup> *Recommended Decision* at para. 464.

information service component of Internet access. This argument misses the point. Section 254(h), by reference to Section 254(c)(3), allows for support to any service included in the generic definition of high cost, plus any additional services required for the purposes of subsection (h). This clearly permits recognition of the common carrier services typically provided to make Internet access available where there is no Internet service provider in the local calling area. As with inside wire, there are, of course, legitimate questions concerning the cost of such support, but the Commission must recognize that discounted transmission to an Internet provider may be one of the most needed areas for discounting within rural areas.

#### **IV. THE RTC EXPECTS TO COMMENT FURTHER ON SUPPORT FOR TELECOMMUNICATIONS SERVICES FOR RURAL HEALTHCARE FACILITIES.**

The rural telephone industry strongly supported the Act's objectives to ensure the provision of advanced telecommunications to facilitate and advance the sufficient delivery of health care services in rural America. Indeed, addressing issues vital to the prosperity of their communities is a primary focus of rural telephone companies, and Telemedicine initiatives serve as a prime example of a community need that is met through local telephone company efforts. It is therefore vital that universal service support effectively implements the Act's mandate.

The Joint Board decided that more information was required to determine specifically what services are needed for rural health care providers and how the charges of carriers differ for these services between urban and rural markets.<sup>97</sup> The RTC expects to comment further on the core services which should be supported, the determination of the rate at which services will be provided, how universal service support should be constructed, the definition of rural health markets, and

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<sup>97</sup> *Id.* at para. 654.

additional issues that the Commission needs to take into consideration. In the meantime, we provide some general response as to which telecommunications services are required by eligible health care providers.

Telemedicine generally refers to the integrated system of health care delivery by use of telecommunications and medical technologies which provide live interactive, audiovisual communication between physician and patient, or between health practitioners located in distant locals, or to facilitate the exchange of educational and research oriented medical information.

Medical link situations include, but are not limited to: linking rural hospitals and medical clinics to experts (such as radiologists) located in facilities other than major medical centers; clinical interactive video consultation; distance training of providers; management and transport of patient information; linking rural facilities to medical expertise or library resources; access to online patient medical histories; and making insurance data more readily available.

Most Telemedicine applications use traditional voice, fax, and data transmissions. Simple projects involving claims processing and transfers of patients' medical histories have been done on a routine basis for years with the use of personal computers, existing telephone lines, and modems. Routine procedures, such as claims processing and data transfers, may not necessarily have to utilize high-speed transmissions and wide bandwidths. But because the original public switched network is designed with only voice transmission, its capacity is limited in signal complexity and speed. While a voice-grade network allows for a high volume of information to travel the lines, it makes sense technologically and economically to upgrade normal voice lines to employ Telemedicine services that are capable of supporting medical interventions and training requests.

Over the last several years, the installation of coaxial cable, fiber optics, and other

sophisticated equipment, such as T1 lines (the equivalent of 24 voice channels), has set the stage for the development of Telemedicine. Also significant is the development of integrated services digital network (ISDN) that allows for the compression, digitalization, and transmission of data, thereby significantly increasing the capacity of telephone lines. Many providers are just beginning to upgrade to this technology, but it requires an entirely new switching system. Some service providers fear that the ISDN technology may be obsolete as soon as broadband networks become capable of switching video images. Unlike ISDN, an area's entire network would have to be reconstructed to take advantage of switched broadband, and the enormous price tag has hindered construction thus far.

Interactive video is a fundamental component of Telemedicine, and the most common application of Telemedicine is second opinion consultations. Full-motion video is required -- less sophisticated technology is considered to be substandard for health purposes since diagnosis requires interpretation of images that are both still and moving. Full-motion video allows for the closest mimic of the face-to-face patient/doctor consultation.

**V. THE COMMISSION SHOULD NOT AUTOMATICALLY EXCLUDE NECA AS A POTENTIAL ADMINISTRATOR.**

**A. THE COMMISSION CANNOT DELEGATE SELECTION OF THE ADMINISTRATOR TO AN ADVISORY COMMITTEE.**

The Joint Board recommends that the Commission appoint a "universal service advisory board" under the Federal Advisory Committee Act which would include state and FCC representatives and would "select, oversee, and provide guidance to the chosen administrator."<sup>98</sup> The advisory board should, according to the Joint Board, have as few members as possible and be

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<sup>98</sup> *Recommended Decision* at para. 830.

chosen as quickly as possible. Within six months of its creation, the advisory board would appoint the administrator through competitive bidding.<sup>99</sup>

The Joint Board does not explain why such an advisory board separate from the Board is necessary or desirable, given the duties of the Joint Board specified in Sections 254(a) and 410(c) and the clear expectation that the Joint Board will have continuing duties after the issuance of its initial recommendation.<sup>100</sup> Nor is it clear whether the Joint Board intends that the membership of the advisory board would be limited to state and federal regulators, although that is the implication. If it were so limited, it is not obvious why a separate entity, with all the obligations and procedures required under the federal advisory committee act is a desirable alternative to a Section 410(c) joint board. However, if the Commission accepts the recommendation for a permanent advisory board, under whichever statute, such a board cannot lawfully be granted decision making authority. The Advisory Committee Act states:

the function of advisory committees should be advisory only, and ...all matters under their consideration should be determined, in accordance with law, by the official agency....<sup>101</sup>

... "advisory committee" means any committee..., which is--....(C) established...in the interest of obtaining advice or recommendations....<sup>102</sup>

...advisory committees shall be utilized solely for advisory functions. Determinations of action to be taken and policy to be expressed with respect to matters upon which an advisory committee reports or makes recommendations shall be made solely by

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<sup>99</sup> *Id.* at para. 831.

<sup>100</sup> *See*, Sections 254(a)(2) (subsequent recommendations), 254(c)(2) ( Joint Board may from time to time recommend modifications).

<sup>101</sup> 5 U.S.C. App. Sec. 2(b) (6).

<sup>102</sup> 5 U.S.C. App. Sec 3(2).

the President or an officer of the Federal Government.<sup>103</sup>

Similarly, a Section 410 Joint Board has only the power to prepare a recommendation, and although the state members participate in the Commission's deliberations, they may not vote.<sup>104</sup> Therefore, whatever form is used, the Commission must act to name an administrator, given the general recognition that the functions involved in administration are not appropriate for a governmental agency.

**B. A COMPETENT, EXPERIENCED AND EFFICIENT ADMINISTRATOR, SUBJECT TO BALANCED OVERSIGHT, SHOULD BE THE GOAL OF THE SELECTION PROCESS.**

The Joint Board recommends that the universal service administrator to be appointed should be a "neutral third party" which, including its board of directors, must:

(1) be neutral and impartial; (2) not advocate specific positions to the Commission in non-administration-related proceedings; (3) not be aligned or associated with any particular industry segment; (4) not have a direct financial interest in the support mechanisms established by the Commission. ... and (5) have the ability to process large amounts of data and to bill large numbers of carriers.<sup>105</sup>

Although recognizing that NECA has successfully administered the existing high cost fund and the TRS fund, the Joint Board states: "We, however, disagree with those who propose that NECA automatically be appointed the permanent administrator."<sup>106</sup> Asserting that NECA membership and

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<sup>103</sup> 5 U.S.C. App. Sec. 9(b).

<sup>104</sup> 47 U.S.C. 410(c).

<sup>105</sup> *Recommended Decision* at para. 830.

<sup>106</sup> *See, Id.* at para. 832. Although the RTC noted that NECA "is uniquely positioned in the industry to broaden its capabilities to meet the requirements of the new USF effectively, efficiently and with minimal uncertainty" neither we, nor other parties we are aware of suggested that its appointment be "automatic."



Board composition, and its advocacy positions in Commission proceedings could be perceived as bias by non-ILECs, the Board recommends against appointing NECA as permanent administrator at this time. It does recommend, however, that the Commission allow NECA to change its membership and governance and eliminate its appearance of bias so that it could be eligible to compete in the selection process for the universal service administrator.

The RTC recognizes that significant changes in the USF resulting from the 1996 Act require modifications in the entity with authority to direct and control the USF administrator. The potential addition to the class of support recipients of such non-ILECs as may eventually win state certification as "eligible" carriers and the broadening of the class of contributors from IXC (USF) and non-pooling ILECs (LTS) to include all carriers suggests that each of these interested classes should be represented. At the same time the Commission cannot elevate an asserted lack of appearance of impartiality as a *sine qua non* criterion regardless of experience, capability, efficiency and effectiveness. If the FCC wants to have any real world expectation of the new fund achieving the expectations of Congress, it would be folly to exclude from consideration the one entity which has demonstrated capability to do the job.

The Joint Board suggests that the way to retain this acknowledged capability is to permit NECA to change its membership and Board so that it meets the selection criteria. The RTC does not believe this is a desirable or workable solution in the short term. Any such change must be carefully thought out and must include adequate protection of the rights of the NECA tariff pool members. The Joint Board ignores the other significant functions performed by NECA in preparing, filing and defending tariffs as agent for its members, and in administering the common line and

traffic sensitive pools, in which the members participate.<sup>107</sup> Whatever may be said of the USF function, the tariff and pooling function, including developing and administering the average schedules, is without question one in which the organization's board and staff function retain a fiduciary responsibility to the pool members. Those functions constitute the fundamental purpose for which NECA was organized -- to take over the process of LEC cost recovery and lawful joint rate determinations formerly performed by AT&T. The NECA tariff and pooling functions must be sufficiently separate from the universal service administration and controlled by customers and competitors of the pool members. Indeed, the Commission cannot constitutionally bar the agent of the ILEC members from advocacy on their behalf.

Second, assuming that a process can be developed which will preserve for universal service administration tasks the substantial resources represented by the in-place organization, while retaining an effective LEC-controlled administrator and advocate for pool participants, it will not, and should not, be an easy and quick process. Factors to be considered by interested parties include membership eligibility and rights, Board structure and functions and the relationship of the corporate law of Delaware (or other state) to the Commission's rules. The exact legal status of NECA and relation to its members is not entirely specified. The Commission ordered the creation of an association, prescribed its membership, board structure and functions, but has never addressed clearly what it believes the rights of the members to be or the relationship of Delaware corporation law to the Commission's rules. At least since pooling became voluntary, the going concern value of NECA is one that was built in significant part upon the allocation by its members of resources necessary to perform the joint tariffing and pooling function. It is not provided in any rules or

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<sup>107</sup> 47 C.F.R. 69.601-612.

policies that this “going concern” value can be simply transferred to the control of a new board without compensation to the present members. Nor has it been decided that members can be forced to turn over protected, proprietary records and information and management of the tariffing and cost recovery operations of their business to a “neutral” board that includes their competitors and their largest customers.

While we believe a solution to these difficulties can be found, it will take more time and information than is presently available. For example, the relative distribution of revenues between access charges, universal service support and payments for unbundled elements and resale is unknown. The Joint Board’s recommendation is devoid of detail as to the expected specific amount of financial support to come from the USF,<sup>108</sup> the access reform docket has not yet been initiated, and the interconnection pricing rules are under appeal. Until the proxy formulas are determined, and state proceedings begun under Section 214(e), there is no basis for any conclusions as to the number and size, if any, of non-ILEC support recipients. With the industry at least six months away from any knowledge as to the results of these proceedings, neither the Joint Board, the Commission, nor the NECA membership can make informed judgements as to the structure of the administrator or how to separate and maintain members’ control of NECA’s tariff and pooling duties while preserving its special abilities to perform universal service administrator functions under neutral supervision. It is therefore premature to begin restructuring NECA, let alone require it to restructure itself without the consent of its membership. Instead, as set forth below, the Commission should establish

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<sup>108</sup> The amount of cost in excess of the benchmark to be identified by application of proxies to non-rural LEC service areas and by embedded cost for rural LECs is not estimated by the Joint Board, despite the significance of this total to the burden which will be placed on providers of universal service, which will, in turn, affect the affordability and comparability of service.

advisory committees on the TRS model to oversee the high cost, low income, and school, library, health care functions under interim NECA administration and establish a timetable and criteria for permanent selection of the universal service administrator within three years.

**C. THE ADMINISTRATIVE NEEDS ARE SO URGENT, COMPLEX AND COMPELLING THAT THE COMMISSION SHOULD CONTINUE NECA AS INTERIM ADMINISTRATOR PENDING CAREFUL DEVELOPMENT OF A COMPETITIVE BID PROCESS AND BIFURCATED STRUCTURE UNDER WHICH NECA CAN PARTICIPATE AS A BIDDER.**

**1. NECA SHOULD IMMEDIATELY BE APPOINTED INTERIM ADMINISTRATOR FOR THE SCHOOL, LIBRARY AND HEALTH CARE SUPPORT PROGRAMS.**

The Joint Board recommends an extremely ambitious program to begin the support for schools, libraries and rural health care facilities. In particular, the Board proposes that support be available to schools for the 1997-98 school year.<sup>109</sup> The RTC strongly supports this objective, because we believe it will bring immediate benefits to rural communities nationwide. However, a very significant amount of preparation will be required to meet this timeline, much of it without precedent and in coordination with large numbers of entities unfamiliar with the nuances of communications regulation. The Joint Board recognizes that these programs have separate issues from the high cost and low income programs and recommends appointment of NECA as interim administrator. The RTC supports the recommendation with the addition that the FCC should act as soon as possible, no later than mid-January 1997, in order that NECA will have adequate time to develop the necessary procedures.

The RTC does not agree, however, that NECA should be first required to add "significant,

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<sup>109</sup> See, *Recommended Decision* at para. 630. See also, *Recommended Decision* at para. 545: "We find that it is very important that schools and libraries have immediate access to the services available under Section 254(h)."

meaningful representation for non-ILEC carrier interests” to its board or forego advocacy on behalf of the LECs in connection with the tariffing and pooling functions. Non-ILEC representatives on a NECA board would face serious conflicts of interests. As corporate directors they would have a fiduciary duty, and liability to, the members of NECA which would, on occasion, be inconsistent with their likely interest in advocating their employers’ interests before the Commission. As described in B, above, it will take some time for a solution to these issues to be developed; just changing the board does not resolve the issues. In the meantime, the interests of schools, libraries, rural health care facilities and non-ILEC service providers can be represented temporarily on an advisory board fashioned after the TRS advisory board. These interests will, of course, have continuous access to the Commission to air any concerns about the development of the processes. If the Commission really wants to see a successful program launched in time for the next school year, it must move quickly and effectively. A corporate reorganization imposed on NECA can only serve to reduce the likelihood that the schools and libraries will soon receive the benefits promised them by the 1996 Act.

**2. NECA SHOULD CONTINUE AS ADMINISTRATOR OF THE HIGH COST AND LOW INCOME PROGRAMS, PENDING DEVELOPMENT OF A MEANINGFUL SELECTION PROCESS, AND SHOULD ALSO BE ELIGIBLE TO COMPETE FOR “PERMANENT” SELECTION AS THE USEF ADMINISTRATOR THROUGH A SEPARATE SUBSIDIARY.**

The Joint Board recommends, and the RTC concurs, that NECA continue as administrator of the existing high cost and low income support mechanisms until a permanent administrator is chosen and prepared to function. We would not limit the interim assignment to the existing program, however, given the recommendation to begin implementing the proxy process at the

beginning of 1988, for a six-year transition to mandatory proxies for rural telephone companies<sup>110</sup> and for the modifications to the low income programs. Again, planning for these complex changes and transitions needs to begin as soon as their nature is relatively firm.

During the interim administration, another advisory committee can be formed consisting of non-ILECs, IXC, commercial mobile radio service (CMRS) providers and other participants in the new USF. At the same time, a thorough proceeding can resolve the governance and separation-of-functions issue in an environment where there is a sufficient level of relevant information to make informed judgments. As with the other programs, the importance of effective, timely administration should not be overshadowed by perceptions of problems with no basis in reality or experience. Substantial precedent exists for this approach at the creation of NECA. Although clearly recognized as a highly partisan participant, the Commission appointed AT&T as administrator of the initial pools, one of which was mandatory for all LECs.<sup>111</sup> AT&T, in turn, appointed a committee of LECs to review its actions until the initial NECA Board could be elected and seated. The process worked well due to the professionalism of the participants and the recognition that it was a necessary interim arrangement with a defined termination date. Using the Holmesian adage about the elevation of experience over logic, the Commission can again rely on a similar process to insure both effective initiation of new programs in a timely manner, and a comfort level to all participants that on an ongoing basis they will be afforded meaningful representation.

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<sup>110</sup> *Id.* at para. 283.

<sup>111</sup> *In the Matter of MTS and WATS Market Structure (Phase I)*, 93 F.C.C. 2d 241, 336 (1983).

## **VI. THE COMMISSION SHOULD MAKE A PROPER ANALYSIS UNDER THE REGULATORY FLEXIBILITY ACT.**

The Joint Board has failed to make an analysis under the Regulatory Flexibility Act ("RFA") even though the Commission prepared an initial regulatory flexibility analysis (IRFA). In view of this omission in the recommendation, the Commission should perform the analysis required by the RFA in connection with its rejection or adoption of the recommendations. That analysis requires that the Commission consider significant alternatives to avoid and minimize significant adverse impacts on small businesses.

The members of the associations that make up the RTC are all covered "small entities" under the RFA.<sup>112</sup> It is therefore imperative that the Commission consider alternatives that avoid or minimize adverse impacts to these businesses. Although the IRFA included in the NPRM in this docket noted that the number of small telecommunications service providers could not be estimated, the Commission determined that fewer than 1,347 small incumbent LECs are affected by its Interconnection rules.<sup>113</sup> It can conclude that the same number of small LECs will be affected by the rules promulgated here. The recommended interim freeze and mandatory application of proxy models in conjunction with access reform and already promulgated interconnection rules could significantly affect as much as 65 percent of the revenues of these thirteen hundred or more small

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<sup>112</sup> 5 U.S.C. § 601(3) states: "the term 'small business' has the same meaning as the term 'small business concern' under Section 3 of the Small Business Act [15 U.S.C. §632], unless an agency, after consultation with the Office of Advocacy of the small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register." The SBA established standards and defined what businesses are "small business concerns" in former 13 C.F.R. § 121.601(now included in 13 C.F.R. § 121.201).

<sup>113</sup> *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98 at ¶ 1345 (released August 8, 1996).

companies. All of these companies are not present USF recipients but well may be with access reform. Further, as telecommunications carriers, they are subject to becoming contributors under the new rules. It is therefore imperative that the Commission consider the RTC's alternatives suggesting that the present mechanisms remain in tact until proxy models have been validated and it is demonstrated that a model is appropriate for small companies. Likewise, the Commission should consider any adverse impact the proposed contribution formulas would have on these companies.

A thorough analysis that comports with the amended RFA will avoid unnecessary litigation and ensure consideration of the small business interest Congress recently afforded more protections. These protections now give a small entity adversely affected by final agency action the right to judicial review of agency compliance with the requirements of Sections 601, 604, 605(b) and 610 of the RFA.<sup>114</sup>

## **VII. CONCLUSION**

Consistent with these Comments, the Commission must ensure that the universal service support system continues to provide the opportunity to recover infrastructure costs related to the provision of universal service. Any proxy model adopted by the Commission should first be verified. A transition to proxies for rural companies should not begin until after the model is validated. The Commission should not adopt the benchmark recommended as an offset against proxy model forward looking costs. In addition, the Commission should not adopt the recommendation to freeze per line universal service support for rural companies, as this may harm previously planned infrastructure investments.

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<sup>114</sup> Section 242 of Small Business Growth and Fairness Act of 1996, Pub. L. 104-121 (Approved March 29, 1996).



While the Joint Board's recommendation for schools and libraries is generally satisfactory, clarification is needed on how the cap will be administrated fairly. NECA should be immediately appointed as the interim administrator of the school, library, and healthcare support programs. NECA should also be permitted to restructure or organize itself so as to be eligible to compete for permanent selection as the USF administrator through a separate subsidiary.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Rita H. Bolden, certify that a copy of the foregoing Comments of the Rural Telephone Coalition in CC Docket No. 96-45 was served on this 19th day of December 1996, by first-class, U.S. Mail, postage prepaid, to the following persons on the attached list:

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